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Copy 10 of 10

28 NOV 1975

MEMORANDUM FOR: Director, National Security Agency

SUBJECT : FY-75 KEP

1. In response to my request, the Intelligence Community Staff has provided an interim report on the status of the FY-75 KEP (copy attached).

2. The preliminary conclusion, based on NIO subjective performance assessments, and performance data provided by Community producers and collectors, is that about two-thirds of the FY-75 KIQs were satisfactorily answered--on 42 KIQs the IC essentially achieved the production and collection goals set forth in applicable strategies--at a cost of about one-third of the IC's O&M operating budget for FY-75.

3. While there were, as expected in such a 'first' effort, a number of ambiguities and some inconsistencies, it seems clear that the process is workable and that useful findings will emerge. This conclusion stems in large part from the highly professional way in which NSA assisted in formulating KIQ collection strategies at the beginning of the year--and the efficiency with which NSA accumulated and reported collection performance data at year's end. I am encouraged by the manner in which NSA responded to the collection guidance reflected in KIQs, expending some 51% of its O&M budget on KIQ-related collection/processing activities. The dollars which this percentage represents amount to almost 60% of the Community's total KIQ effort in FY-1975. Both as a percentage of O&M expenditures and as a percentage of total budget, NSA led the Community in its efforts to focus on KIQs.

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4. Since the concept of evaluating Community performance by relating outcome and performance to priorities and resource expenditures appears sound, we must continue to put the effort and discipline into the process that success demands.

5. To firmly establish the KEP as a viable and productive effort requires:

a. NSA's continued participation (both directly and through the SIGINT Committee) in the development of KIQ collection strategies to ensure a common approach and structure; consistency in the level of detail with which KIQ collection objectives are identified; and precision in specifying the tasks for which commitments are to be sought; and

b. continued timely responsiveness to guidance and instructions for reporting collection/processing performance data.

6. The KEP continues to be an important endeavor, one that must be established and regularized as soon as possible. To this end I am counting on your continued support.

SIGNED

W. E. Colby

Attachment

25X1 [REDACTED] copy 6 of 20

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